

State of the Union, State Budget
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What was the most important message in President Barack Obama's State of the Union address?

It's clear that 2010 will be about the economy and creating jobs, and I think President Obama did a great job of laying out the year's priorities.

Building on the strong foundation laid in 2009, congress will continue to pursue strategies to put Americans back to work.

The president used the speech as a teaching tool, putting our situation in historical context and explaining just how precarious our economic situation was at the beginning of 2009.

Before President Obama took office, the country was losing nearly one million jobs each month under the failed policies of the previous administration. But as the president explained, the economic stimulus bill that he signed into law, combined with the continued support of the TARP program, kept the country from entering a second Great Depression.

That's not to say we're out of the woods. Economic recovery is a long-term affair, and unfortunately jobs are one of the last indicators to recover. But in the past year, we've gone from losing hundreds of thousands of jobs each month to small gains earlier this winter. The turnaround has been dramatic, and it's due to the successful policies put in place last year.

But we have a lot more work to do.

In December, the House passed a jobs bill that would move us a long way in the right direction. The \$154 billion bill, in addition to extending unemployment benefits and COBRA subsidies into the summer, would invest billions in infrastructure projects and public service jobs across the country. I'm hoping the Senate takes the bill up soon, as it is vital to our continued recovery.

It's also important to know the economic stimulus is still running its course. Over the next six months, the stimulus will pump another \$200 billion into our economy, creating jobs in fields ranging from construction to energy to public service.

The stimulus has already accounted for more than 2 million jobs, many right here in California. Here on the Central Coast we've seen hundreds of jobs directly saved, and many more that were indirectly supported.

I know the stimulus continues to have its critics, and let me be clear that I wish we hadn't needed to pass that bill. But experts from both political parties agree that it was absolutely necessary. Unemployment had the potential to double without the kind of intervention we saw.

The president did a good job teaching and putting our situation in context, but he also made it clear that he's willing to keep on fighting for families across the country. "I will not quit," he said, and I stand with him. Only through the kinds of wide-ranging yet targeted policies will we truly put our country back on track.

Gov. Schwarzenegger recently lobbied Washington for federal dollars to help California with its \$20 billion deficit. Is he asking for \$6.9 billion in handouts or does Washington owe that money to California?

Democrats and Republicans alike know that California was especially hard-hit by the economic downturn, compounding the troubles our state already faced. California looks to have another \$20 billion shortfall this year. But rather than sitting down and addressing the problem honestly, coming up with both cuts and new revenues to bridge that gap, the governor and Republicans in the legislature insisted on drastic cuts to California's safety net. In effect, Republicans in Sacramento decided to balance the budget on the backs of our neediest

citizens.

Gov. Schwarzenegger suggested that California receives around 78 cents for every dollar it sends to Washington. Those numbers are simply out-of-date. In fact, over the last year, our state has been a receiver state, seeing around \$1.50 returned to our coffers for every \$1 sent to Washington.

Look at it from another angle: The stimulus bill will send around \$85 billion to California over a two-year period. Compare that to the governor's budget request this year of \$83 billion. That means the feds are funding an extra year's worth of operations over a two-year period. To say Washington has ignored California is far from honest.

The governor, having failed for years to balance the budget in California, is trying to shift blame to the federal government. I'm just not buying that.

California may see some additional money headed its way, and I support the partnership that has developed between our state and Washington. For instance, I strongly support full compensation for incarcerating undocumented criminal aliens, and we should pursue additional funds in that area.

But what California really needs is strong leadership in Sacramento, and we're not getting that from an obstructionist governor and an ideologically entrenched minority party.